**COMPARISON BETWEEN INSTITUTIONAL ARBITRATION AND AD HOC ARBITRATION**

***Legal basis:***

*Law on Commercial Arbitration 2010.*

1. **Concept of institutional arbitration and ad hoc arbitration**

Institutional arbitration is a form of dispute resolution in an arbitration center under Law on Commercial Arbitration 2010 and the arbitral Rules of that arbitration center.

Ad hoc arbitration is a form of dispute settlement under Law on Commercial Arbitration and the order and procedures agreed upon by the parties.

1. **Difference between institutional arbitration and ad hoc arbitration**

Regulation arbitration and ad hoc arbitration have some main differences as follows:

|  |  |  |
| --- | --- | --- |
| **Criteria** | **Institutional Arbitration** | **Ad hoc Arbitration** |
| Nature | They are non-governmental arbitration organizations, usually social professional organizations with the function of resolving commercial disputes. | They are not a regular organization for dispute resolution but are only established by agreement of the parties to resolve a specific dispute and the arbitration will cease its operation after the settlement of the case is completed. |
| Separate Rules of arbitration | Having legal status, having its charter and procedural rules, having a list of arbitrators, and operating completely independently of each other. | There are no arbitration Rules available, so the parties to the dispute have to agree to develop Rules of arbitration to resolve, or choose the arbitration Rules of any arbitration center; and a list of arbitrators is not available.  Therefore, this is a form of arbitration where the self-determination rights of the parties are maximized. However, there are also certain difficulties in appointing an arbitrator if the respondent fails to cooperate, or the arbitrator selected by the disputing parties fails to choose a third arbitrator. |
| Cost | Arbitration fees are often higher because this form of arbitration needs to maintain a regular operating system with administrative costs. | Be lower than institutional arbitration due to no administrative fees. However, in cases where the parties must hire a Secretary to assist the Arbitral Tribunal, the cost of this dispute settlement may increase. |
| Dispute resolution time | Can take more time than ad hoc arbitration due to compliance with the arbitration center’s arbitration Rules. | The time is shortened as the disputing parties can agree to apply a more flexible proceeding. |
| Recognition and enforcement of foreign arbitration award | Courts often easily recognize and enforce awards of institutional arbitrators, especially those of arbitrations from reputable Arbitration centers. | Recognition and enforcement of arbitral awards can be more difficult. |

***ADK & Co Vietnam Lawyers Law Firm***